

EXAMPLE 1: Let's assume the taxpayer makes all of its investment (1,000,000), at an existing facility, towards the end of its certification period and the certification period coincides with the taxpayer's tax year.

TAX YEAR: From July 1, 2001 to June 30, 2002
CERTIFICATION PERIOD: From July 1, 2001 to June 30, 2002

	Column A	Column B	Column C	Column D	Column E
	Base Month & Year	Amount of Base Investment	Current Month & Year	Amount of Investment	Investment Related to HPIP
PART II DETERMINING QUALIFIED INVESTMENT AND CREDIT					
Complete "Base Month & Year" and "Number of Base Investment" columns if: you were HPIP certified during any portion of the tax year; and you are adding onto an existing facility; or you are adding investment into an existing facility; or you move a facility from one location to another.	Jul-00	\$0	Jul-01	\$0	\$0
	Aug-00	\$0	Aug-01	\$0	\$0
	Sep-00	\$0	Sep-01	\$0	\$0
	Oct-00	\$0	Oct-01	\$0	\$0
	Nov-00	\$0	Nov-01	\$0	\$0
	Dec-00	\$0	Dec-01	\$0	\$0
Base amounts must be completed for each month of the taxable year prior to the taxable year in which commencement of commercial operations begins at the qualified investment for which you were HPIP certified.	Jan-01	\$0	Jan-02	\$0	\$0
	Feb-01	\$0	Feb-02	\$0	\$0
	Mar-01	\$0	Mar-02	\$0	\$0
Complete "Current Month & Year" as of the last business day of each full calendar month for those months the qualified investment was in operation for which you were HPIP certified.	Apr-01	\$0	Apr-02	\$1,000,000	\$1,000,000
	May-01	\$0	May-02	\$1,000,000	\$0
	Jun-01	\$0	Jun-02	\$1,000,000	\$0

1. Total owned property (Add property from above)	1	\$0		\$3,000,000
2. Average owned property. Line 1 divided by: a. Base-number of months in the taxable year prior to commencement of operations at the qualified investment for which you were HPIP certified. b. Current-New facility: number of full months the qualified investment was in operation for which you were HPIP certified. Existing facility: number of months for which you were HPIP certified.	2	\$0		\$250,000
3. Average construction in process included in line 2	3			
4. Total (Line 2 less line 3)	4	\$0		\$250,000
5. Net annual rented property multiplied by 8	5	\$0		\$0
6. Total investment (Add lines 4 and 5)	6	\$0		\$250,000
7. Average investment "base" (From Line 6, Column B)	7			\$0
8. Total investment in excess of the base (Line 6 less line 7)	8			\$250,000
9. Portion of line 8 not directly related to qualified business facility employees	9			\$0
10. Qualified business facility investment (Line 8 less line 9)	10			\$250,000

You can see that because the taxpayer delayed its spending or was not able to invest at the beginning of its certification period, the average qualified business facility decreases as the investment is delayed.

EXAMPLE 2: What if the taxpayer makes all of its investment (1,000,000), at a new facility, towards the end of its certification period and the certification period coincides with the taxpayer's tax year.

TAX YEAR: From July 1, 2001 to June 30, 2002
CERTIFICATION PERIOD: From July 1, 2001 to June 30, 2002

	Column A	Column B	Column C	Column D	Column E
	Base Month & Year	Amount of Base Investment	Current Month & Year	Amount of Investment	Investment Related to HPIP
PART II DETERMINING QUALIFIED INVESTMENT AND CREDIT					
Complete "Base Month & Year" and "Number of Base Investment" columns if: you were HPIP certified during any portion of the tax year; and you are adding onto an existing facility; or you are adding investment into an existing facility; or you move a facility from one location to another.	Jul-00	\$0	Jul-01	\$0	\$0
	Aug-00	\$0	Aug-01	\$0	\$0
	Sep-00	\$0	Sep-01	\$0	\$0
	Oct-00	\$0	Oct-01	\$0	\$0
	Nov-00	\$0	Nov-01	\$0	\$0
	Dec-00	\$0	Dec-01	\$0	\$0
Base amounts must be completed for each month of the taxable year prior to the taxable year in which commencement of commercial operations begins at the qualified investment for which you were HPIP certified.	Jan-01	\$0	Jan-02	\$0	\$0
	Feb-01	\$0	Feb-02	\$0	\$0
	Mar-01	\$0	Mar-02	\$0	\$0
Complete "Current Month & Year" as of the last business day of each full calendar month for those months the qualified investment was in operation for which you were HPIP certified.	Apr-01	\$0	Apr-02	\$1,000,000	\$1,000,000
	May-01	\$0	May-02	\$1,000,000	\$0
	Jun-01	\$0	Jun-02	\$1,000,000	\$0

1. Total owned property (Add property from above)	1	\$0		\$3,000,000
2. Average owned property. Line 1 divided by: a. Base-number of months in the taxable year prior to commencement of operations at the qualified investment for which you were HPIP certified. b. Current-New facility: number of full months the qualified investment was in operation for which you were HPIP certified. Existing facility: number of months for which you were HPIP certified.	2	\$0		\$1,000,000
3. Average construction in process included in line 2	3			
4. Total (Line 2 less line 3)	4	\$0		\$1,000,000
5. Net annual rented property multiplied by 8	5	\$0		\$0
6. Total investment (Add lines 4 and 5)	6	\$0		\$1,000,000
7. Average investment "base" (From Line 6, Column B)	7			\$0
8. Total investment in excess of the base (Line 6 less line 7)	8			\$1,000,000
9. Portion of line 8 not directly related to qualified business facility employees	9			\$0
10. Qualified business facility investment (Line 8 less line 9)	10			\$1,000,000

Even though this taxpayer made its investment at the new facility at the end of the certification period, the taxpayer still receives the benefit of the entire investment. The investment at the new facility became operational April-02. The denominator in the computation of average owned property is 3 months (the number of months the facility is in operation for which the taxpayer was HPIP certified).

EXAMPLE 3: Let's assume the taxpayer makes its investment (1,000,000) at an existing facility in increments of 100,000 to begin towards the end of the taxpayer's certification period and continues to make investment in the succeeding tax year. The taxpayer has been re-certified in the succeeding tax year enabling the capture of the additional investment made in the succeeding tax year for the HPIP investment tax credit. The taxpayer retires 50,000 in HPIP investment in Sept-02.

TAX YEAR: From July 1, 2001 to June 30, 2002
CERTIFICATION PERIOD: From July 1, 2001 to June 30, 2002
RECERTIFICATION PERIOD: From July 1, 2002 to June 30, 2003

	Column A	Column B	Column C	Column D	Column E
	Base Month & Year	Amount of Base Investment	Current Month & Year	Amount of Investment	Investment Related to HPIP
PART II DETERMINING QUALIFIED INVESTMENT AND CREDIT Complete "Base Month & Year" and "Number of Base Investment" columns if: you were HPIP certified during any portion of the tax year; and you are adding onto an existing facility; or you are adding investment into an existing facility; or you move a facility from one location to another. Base amounts must be completed for each month of the taxable year prior to the taxable year in which commencement of commercial operations begins at the qualified investment for which you were HPIP certified. Complete "Current Month & Year" as of the last business day of each full calendar month for those months the qualified investment was in operation for which you were HPIP certified.	Jul-00	\$0	Jul-01	\$0	\$0
	Aug-00	\$0	Aug-01	\$0	\$0
	Sep-00	\$0	Sep-01	\$0	\$0
	Oct-00	\$0	Oct-01	\$0	\$0
	Nov-00	\$0	Nov-01	\$0	\$0
	Dec-00	\$0	Dec-01	\$0	\$0
	Jan-01	\$0	Jan-02	\$0	\$0
	Feb-01	\$0	Feb-02	\$0	\$0
	Mar-01	\$0	Mar-02	\$0	\$0
	Apr-01	\$0	Apr-02	\$100,000	\$100,000
	May-01	\$0	May-02	\$200,000	\$100,000
	Jun-01	\$0	Jun-02	\$300,000	\$100,000

1. Total owned property (Add property from above)	1	\$0		\$600,000
2. Average owned property. Line 1 divided by: a. Base-number of months in the taxable year prior to commencement of operations at the qualified investment for which you were HPIP certified. b. Current-New facility: number of full months the qualified investment was in operation for which you were HPIP certified. Existing facility: number of months for which you were HPIP certified.	2	\$0		\$50,000
3. Average construction in process included in line 2	3			
4. Total (Line 2 less line 3)	4	\$0		\$50,000
5. Net annual rented property multiplied by 8	5	\$0		\$0
6. Total investment (Add lines 4 and 5)	6	\$0		\$50,000
7. Average investment "base" (From Line 6, Column B)	7			\$0
8. Total investment in excess of the base (Line 6 less line 7)	8			\$50,000
9. Portion of line 8 not directly related to qualified business facility employees	9			\$0
10. Qualified business facility investment (Line 8 less line 9)	10			\$50,000

TAX YEAR: From July 1, 2002 to June 30, 2003
CERTIFICATION PERIOD: From July 1, 2001 to June 30, 2002
RECERTIFICATION PERIOD: From July 1, 2002 to June 30, 2003

	Column A	Column B	Column C	Column D	Column E
	Base Month & Year	Amount of Base Investment	Current Month & Year	Amount of Investment	Investment Related to HPIP
PART II DETERMINING QUALIFIED INVESTMENT AND CREDIT Complete "Base Month & Year" and "Number of Base Investment" columns if: you were HPIP certified during any portion of the tax year; and you are adding onto an existing facility; or you are adding investment into an existing facility; or you move a facility from one location to another. Base amounts must be completed for each month of the taxable year prior to the taxable year in which commencement of commercial operations begins at the qualified investment for which you were HPIP certified. Complete "Current Month & Year" as of the last business day of each full calendar month for those months the qualified investment was in operation for which you were HPIP certified.	Jul-01	\$0	Jul-02	\$400,000	\$100,000
	Aug-01	\$0	Aug-02	\$500,000	\$100,000
	Sep-01	\$0	Sep-02	\$450,000	(\$50,000)
	Oct-01	\$0	Oct-02	\$550,000	\$100,000
	Nov-01	\$0	Nov-02	\$650,000	\$100,000
	Dec-01	\$0	Dec-02	\$750,000	\$100,000
	Jan-02	\$0	Jan-03	\$850,000	\$100,000
	Feb-02	\$0	Feb-03	\$950,000	\$100,000
	Mar-02	\$0	Mar-03	\$950,000	\$0
	Apr-02	\$100,000	Apr-03	\$950,000	\$0
	May-02	\$200,000	May-03	\$950,000	\$0
	Jun-02	\$300,000	Jun-03	\$950,000	\$0

1. Total owned property (Add property from above)	1	\$600,000		\$8,900,000
2. Average owned property. Line 1 divided by: a. Base-number of months in the taxable year prior to commencement of operations at the qualified investment for which you were HPIP certified. b. Current-New facility: number of full months the qualified investment was in operation for which you were HPIP certified. Existing facility: number of months for which you were HPIP certified.	2	\$50,000		\$741,667
3. Average construction in process included in line 2	3			
4. Total (Line 2 less line 3)	4	\$50,000		\$741,667
5. Net annual rented property multiplied by 8	5	\$0		\$0
6. Total investment (Add lines 4 and 5)	6	\$50,000		\$741,667
7. Average investment "base" (From Line 6, Column B)	7			\$50,000
8. Total investment in excess of the base (Line 6 less line 7)	8			\$691,667
9. Portion of line 8 not directly related to qualified business facility employees	9			\$0
10. Qualified business facility investment (Line 8 less line 9)	10			\$691,667